

CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

FINANCIAL STATEMENTS

MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members,
Co-operative Development Foundation of Canada:

Qualified opinion

We have audited the financial statements of Co-operative Development Foundation of Canada ("the Entity"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations and net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for qualified opinion

In common with many not-for-profit organizations, the Entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Entity. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, net revenue (expense) for the year, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OHCID LLP

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants
Ottawa, Ontario
September 19, 2024



CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 241,333	\$ 644,442
Short-term investments (note 4)	3,242,881	924,260
Accounts receivable	24,058	49,411
Project advances (note 5)	447,012	686,703
Prepaid expenses	115,194	65,517
	4,070,478	2,370,333
INVESTMENTS (note 4)	345,434	364,465
CAPITAL ASSETS (note 3)	5,596	5,993
	\$ 4,421,508	\$ 2,740,791
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 215,968	\$ 195,913
Deferred revenue (note 6)	2,206,890	-
Unexpended GAC funds (note 6)	697,727	1,273,122
	3,120,585	1,469,035
NET ASSETS		
Unrestricted	37,703	21,815
Externally restricted	340,421	328,181
Internally restricted	922,799	921,760
	1,300,923	1,271,756
	\$ 4,421,508	\$ 2,740,791

Approved on behalf of the Board:



CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

STATEMENT OF OPERATIONS AND NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

	General Operations	Externally Restricted				Internally Restricted				2024	2023
		A. Laidlaw Memorial	I. MacPherson Fund	Robert Owen - Henri Lasserre Fund	Lemaire Foundation	General Foundation	Contributed Net Assets	Reserve for International Development	Reserve for Business Development		
REVENUE											
Global Affairs Canada	\$ 6,189,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,189,363	\$ 6,577,417
Fundraising	535,597	-	-	-	-	-	-	-	-	535,597	434,448
Other development programs	83,073	-	-	-	-	-	-	-	-	83,073	-
Other income	22,918	774	3,136	7,477	2,147	-	-	-	-	36,452	167,102
Donated services	504,045	-	-	-	-	-	-	-	-	504,045	1,381,169
	7,334,996	774	3,136	7,477	2,147	-	-	-	-	7,348,530	8,560,136
EXPENSE											
Global Affairs Canada	6,316,596	-	-	-	-	-	-	-	-	6,316,596	6,577,417
Other development programs	83,073	-	-	-	-	-	-	-	-	83,073	-
Program and fundraising	160,438	-	-	-	-	-	-	-	-	160,438	107,722
Indirect departmental costs	253,917	-	-	-	1,294	-	-	-	-	255,211	661,509
Donated services	504,045	-	-	-	-	-	-	-	-	504,045	1,381,169
	7,318,069	-	-	-	1,294	-	-	-	-	7,319,363	8,727,817
NET REVENUE (EXPENSE) FOR THE YEAR	16,927	774	3,136	7,477	853	-	-	-	-	29,167	(167,681)
Net Assets - Beginning of Year	21,815	27,448	86,955	129,154	84,624	165,614	536,253	125,726	94,167	1,271,756	1,439,437
Net Asset Transfers (note 11)	(1,039)	-	-	-	-	-	1,039	-	-	-	-
Net Assets - End of Year	\$ 37,703	\$ 28,222	\$ 90,091	\$ 136,631	\$ 85,477	\$165,614	\$ 537,292	\$ 125,726	\$ 94,167	\$ 1,300,923	\$ 1,271,756

CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	2024	2023
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue (expense) for the year	\$ 29,167	\$ (167,681)
Item not requiring cash:		
Amortization and write-down of capital assets	1,871	63,300
Change in operating components of working capital:		
Accounts receivable	25,353	144,447
Project advances	239,691	(595,525)
Prepaid expenses	(49,677)	(42,606)
Accounts payable and accrued liabilities	20,055	(212,952)
Deferred revenue	1,631,495	(1,293,033)
	1,897,955	(2,104,050)
INVESTING ACTIVITIES		
Purchase of investments	(2,299,590)	2,573,504
Disposal of capital assets	-	1,779
Purchase of capital assets	(1,474)	(2,860)
	(2,301,064)	2,572,423
CHANGE IN CASH FOR THE YEAR	(403,109)	468,373
Cash beginning of the year	644,442	176,069
CASH END OF YEAR	\$ 241,333	\$ 644,442

CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

The Co-Operative Development Foundation of Canada (the Foundation) provides leadership to promote, develop and unite co-operatives and credit unions for the benefit of people around the world. The Foundation is incorporated under the Canada Not-for-profit Corporations Act as a not-for-profit organization without share capital and is a Registered Charity under the Income Tax Act. The Foundation is not subject to income taxes.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Funds received from Global Affairs Canada (GAC) for overseas programs are recorded as program advances when sent overseas, and are subsequently recorded as expense when amounts are spent by overseas partners. Donations are recorded as revenue when received. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Interest revenue

Interest revenue earned on restricted investments related to externally restricted net assets is recorded as revenue in the respective restricted net asset funds. Interest earned on deposits funded by GAC is credited directly to the respective project accounts. Other interest revenue is recognized as operating revenue.

(c) Financial instruments

Investments are measured at fair value and shares with no active market are recorded at cost. Other financial instruments are initially recognized at fair value and are subsequently measured at amortized cost or cost less appropriate allowances for impairment. Financial assets measured at amortized cost include cash, accounts receivable and short-term investments. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(d) Capital assets

Capital assets are recorded at cost. Amortization is provided as follows:

Furniture and fixtures	20% declining balance
Computer hardware	30% declining balance
Computer software	50% declining balance
Leasehold improvements	5 years straight line

One-half year of amortization is recorded on assets in the year of acquisition.



CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect at period-end. Revenue and expenses are translated at the rate of exchange prevailing at the time of the transactions.

(f) Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the period in which they become known.

(g) Donated services

The value of Canadian volunteers working overseas is recorded as both revenue and expense, based on the fair market value of the volunteer's time, calculated using the rates established by Global Affairs Canada (GAC).

2. FINANCIAL INSTRUMENTS

The Foundation's financial instruments consist of cash, accounts receivable, investments and accounts payable and accrued liabilities. The Foundation's exposure to risk is as follows:

Market Risk

Market risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is exposed mainly to interest rate risk and other price risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on short-term investments.

Other price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from currency risk or interest rate risk, whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments.

It is management's opinion that the Foundation is not exposed to significant currency, credit, or liquidity risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.



CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

3. CAPITAL ASSETS

			2024	2023
	Cost	Accumulated Amortization	Net	Net
Computer hardware	\$ 9,948	\$ 4,352	\$ 5,596	\$ 5,993

During the year, amortization and write-down of capital assets amounted to \$1,871 (2023 - \$63,300).

4. INVESTMENTS

Investments are recorded at fair value, except shares with no active market, are carried at cost.

	2024	2023
Investments maturing within one year with interest rates varying between 1.75% and 4.85% per annum	\$ 3,242,881	\$ 924,260
Shares in various co-operatives and credit unions	345,434	364,465
	\$ 3,588,315	\$ 1,288,725

5. PROJECT ADVANCES

Project advances represent funding that has been sent to various overseas projects for which the expenses have not yet been incurred.



CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2024

6. DEFERRED REVENUE

Deferred revenue consists of unspent amounts that are externally restricted for program expenses in future years. Changes in the deferred revenue balances are as follows:

	Deferred revenue		Unexpended GAC funds	
	2024	2023	2024	2023
Balance, beginning of year	\$ -	\$ 4,400	\$ 1,273,122	\$ 2,561,755
Less: amount recognized as revenue	-	(4,400)	(1,273,122)	(2,536,192)
Plus: amount received related to the following year	2,206,890	-	697,727	1,247,559
Balance, end of year	\$ 2,206,890	\$ -	\$ 697,727	\$ 1,273,122

7. A. LAIDLAW MEMORIAL FUND

This fund was established in memory of Dr. Alex Laidlaw. The interest from the fund is used to provide a bi-annual scholarship to a student from a developing country at Coady International Institute. The interest earned on fund assets and expenses incurred for fund purposes are recognized in the fund.

8. ROBERT OWEN - HENRI LASERRE FUND

This fund was established with an original capital donation of \$125,000 from the Robert Owen Foundation in March 2004. The fund will remain a perpetual endowment at a minimum level of \$100,000. The interest from this fund will be used to support co-operative development. In the event the Foundation is dissolved, these funds will be transferred to another not-for-profit organization to be used for similar purposes.

9. IAN MACPHERSON FUND

The overall purpose of the Ian MacPherson Fund is to commemorate and further the contributions of the late Dr. Ian MacPherson to the Canadian co-operative sector through supporting students at post-secondary educational institutions and young leaders to participate in co-operative research, education and sector events. This fund was established shortly after his death in November 2013 by the Foundation.

10. LEMAIRE FOUNDATION

The Lemaire Foundation fund is used to award bursaries to students. Interest earned on the related investments is added to the fund, and the amount of the bursaries is deducted from the fund.



CO-OPERATIVE DEVELOPMENT FOUNDATION OF CANADA

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11. NET ASSET TRANSFERS

During the year the Foundation transferred \$1,039 (2023 - \$nil) from unrestricted net assets to Contributed Net Assets, \$nil (2023 - \$1,229) from the General Foundation to unrestricted net assets, \$nil (2023 - \$241,044) from the Contributed Net Assets to unrestricted net assets.

12. CONTRIBUTION AUDITS

The Foundation enters into contribution agreements with GAC and certain other organizations that are subject to conditions regarding the expenditure of the funds. The Foundation's accounting records, as well as those of member institutions subcontracted to execute the projects, are subject to audit by GAC and other funding agencies to identify instances, if any, in which the amounts charged to projects have not complied with the agreed terms and conditions, and which, therefore, would be refundable to the funding agency. Adjustments to the financial statements as a result of these audits will be reported in the period in which they become known.

13. CREDIT FACILITIES

The Foundation has a \$100,000 line of credit that is interest only, due on demand. In addition there is a term loan for up to \$350,000 based on account receivable balance. The term loan is repayable over a maximum of 5 years. Interest on both facilities is charged at credit union prime plus 0.25%. Neither facility was in use as at the year-end.